

AG Contract No. KR98 0052TRN  
ADOT ECS File: JPA 97-232  
Project: G1050 71C  
Section: AFSF Loop Road ESP Improvements

INTERGOVERNMENTAL AGREEMENT  
BETWEEN  
THE STATE OF ARIZONA  
AND  
THE TOWN OF PRESCOTT VALLEY

THIS AGREEMENT is entered into 4 March, 1998,  
pursuant to Arizona Revised Statutes, Sections 11-951 through 11-954, as amended, between the  
STATE OF ARIZONA, acting by and through its DEPARTMENT OF TRANSPORTATION (the "State")  
and the TOWN OF PRESCOTT VALLEY, acting by and through its MAYOR and TOWN COUNCIL (the  
"Town").

I. RECITALS

1. The State is empowered by Arizona Revised Statutes Section 28-401 to enter into this agreement and has by resolution, a copy of which is attached hereto and made a part hereof, resolved to enter into this agreement and has delegated to the undersigned the authority to execute this agreement on behalf of the State.

2. The Town is empowered by Arizona Revised Statutes Section 41-1513 and 28-7281 et seq to enter into this agreement and has by resolution, a copy of which is attached hereto and made a part hereof, resolved to enter into this agreement and has authorized the undersigned to execute this agreement on behalf of the Town.

3. The Town has requested Economic Strength Project (ESP) funds in the amount of \$179,000.00; the Arizona Department of Commerce and the Economic Development Commission have recommended the approval of such funds for the Town, and the Transportation Board has approved the funding, for the construction of improvements to ATSF Loop Road to provide improved access, and aid in the retention and development of local business, hereinafter referred to as the Project.

THEREFORE, in consideration of the mutual agreements expressed herein, it is agreed as follows:

NO. 22232  
Filed with the Secretary of State  
Date Filed: 03/04/98

Betty Bayless  
Secretary of State

By: Valery R. Haerwood

## II. SCOPE

### 1. The Town will:

a. Insure the additional commitment of 48.89% of the total estimated Project cost, or \$171,199.00, whichever is more, from the Town or other sources (not including ESP funds) to the Project. Accomplish construction of the Project by public bidding, in strict compliance with State procurement laws, rules and regulations. Upon completion, approve and accept the Project on behalf of the Town and provide maintenance.

b. No more often than monthly, invoice the State for ESP funds (Arizona Department of Commerce, ATTN: Strategic Finance Division, ESP Program Director, 3800 N. Central Avenue, Suite 1500, Phoenix, AZ 85012), in an amount not to exceed \$179,000.00.

c. Provide the State a copy of the executed Project contract(s), and draw down and expend the State ESP funds no later than six (6) months after the effective date of this agreement. Provide the State detailed written reports of all ESP fund expenditures, supported by invoices, receipts or other suitable and appropriate documentation, and a final accounting report no later than thirty (30) days after ESP funds are fully expended.

d. Reimburse the State any funds received from the State under this agreement which are not specifically and directly expended in compliance with the ESP grant application, which is attached hereto and made a part hereof, and are subsequently disallowed by the State.

e. Provide the State (Arizona Department of Commerce, ATTN: Strategic Finance Division, ESP Program Director, 3800 N. Central Avenue, Suite 1500, Phoenix, AZ 85012) with quarterly Project status reports, and one year after completion of the Project, a written Economic Impact Report detailing the direct and indirect impact of the Project, to include jobs created, jobs retained and related data.

### 2. The State will:

Within thirty (30) days after receipt and approval of the ESP contract(s) and subsequent monthly progress payment invoices, reimburse the Town for work completed on the Project funds in an amount not to exceed \$179,000.00.

## III. MISCELLANEOUS PROVISIONS

1. The only interest of the Department of Transportation in the Project is to convey economic strength pass through funds for the use and benefit of the Town by reason of state law under which funds for the Project are authorized to be expended.

2. The Town agrees to indemnify and save harmless the State, or any of it's departments, agencies, officers or employees, from and against all loss, expense, damage or claim of any nature whatsoever which is caused by any activity, condition or event arising out of the performance or non-performance by the State of any of the provisions of this agreement.

3. The total amount of ESP funds expended under this agreement shall not exceed 51.11% of the total Project cost. Should the Project not be completed, be partially completed, or be completed at a lower cost than the advanced amount, or for any other reason should any of these ESP funds not be expended, a proportionate amount of the funds provided under this agreement shall be reimbursed to the State.

4. This agreement shall remain in force and effect until completion of said Project, reimbursement and subsequent reports; provided, however, that this agreement, except any provisions herein for maintenance, which shall be perpetual, may be cancelled at any time prior to the award of a construction contract, upon thirty (30) days written notice to the other party. Further, this agreement may be terminated and the ESP grant cancelled by the State if the Town, in the opinion of and by action of the Transportation Board, fails to pursue due diligence on the Project or in the performance of any of the terms of this agreement.

5. This agreement shall become effective upon filing with the Secretary of State.

6. This agreement may be cancelled in accordance with Arizona Revised Statutes Section 38-511 as regards conflicts of interest on behalf of State employees.

7. The provisions of Arizona Revised Statutes Section 35-214 pertaining to 5 year records retention by the Town and audit by the State are applicable to this contract.

8. In the event of any controversy which may arise out of this agreement, the parties hereto agree to abide by required arbitration as is set forth in Arizona Revised Statutes Section 12-1518.

9. All notices or demands upon any party to this agreement, except as otherwise specified herein, shall be in writing and shall be delivered in person or sent by mail addressed as follows:

Arizona Department of Transportation  
Joint Project Administration  
205 South 17 Avenue, Mail Drop 616E  
Phoenix, AZ 85007


Town of Prescott Valley  
Town Manager  
8501 E. Yavapai Road  
Prescott Valley, AZ 86314

10. Attached hereto and incorporated herein is the written determination of each party's legal counsel that the parties are authorized under the laws of this state to enter into this agreement and that the agreement is in proper form.

IN WITNESS WHEREOF, the parties have executed this agreement the day and year first above written.


**TOWN OF PRESCOTT VALLEY**

**STATE OF ARIZONA**  
Department of Transportation

By   
\_\_\_\_\_  
RICK KILLINGSWORTH  
Mayor

By   
\_\_\_\_\_  
JAY KLAGGE, Director  
Transportation Planning

ATTEST:

By   
\_\_\_\_\_  
LINDA THORSON  
Town Clerk

RESOLUTION

BE IT RESOLVED on this 16th day of December 1997, that I, the undersigned LARRY S. BONINE, as Director of the Arizona Department of Transportation, have determined that it is in the best interests of the State of Arizona that the Department of Transportation, acting by and through the Intermodal Transportation Division, to enter into an agreement with the Town of Prescott Valley for the purpose of defining responsibilities for conveying ESP funds to the Town.

Therefore, authorization is hereby granted to draft said agreement which, upon completion, shall be submitted to the Director of Transportation Planning for approval and execution.

A handwritten signature in dark ink, appearing to read 'D. Allocco', is written over a horizontal line.

DAVID ALLOCCO, Manager  
Engineering Technical Group  
for Larry S. Bonine, Director

**TOWN OF PRESCOTT VALLEY  
REGULAR COUNCIL MEETING MINUTES  
FEBRUARY 12, 1998**

Call to Order - The meeting was called to order by Mayor Killingsworth at 7:00 p.m. at the Police Operations Facility/Magistrate Court. Present were:

Rick Killingsworth	Mayor
Dick Padgett	Vice-Mayor
Chuck Ables	Council Member
Eunice Conner	Council Member
Bill Howeth	Council Member
Jay Fagelman	Council Member

Announcements and Proclamation - "American History Month", February, 1998

Richard Parker, Community Development Director, introduced Tamara Zinn as a new employee within the Planning and Building Division.

Pete Jorgensen of Dava and Associates stated one of the projects they are working on is the design concept report for the ultimate widening of 89A. A public meeting on February 25<sup>th</sup> at 5:00 p.m. will be held at the Prescott Valley Magistrate Court for those who would like to see what the project scope will be.

Two scouts, Adam England and his brother, introduced themselves as being present because they are working on their Citizenship in the Community merit badge.

Marilyn Rabideau, President of the Chamber of Commerce, introduced a new program through the Chamber. At the annual banquet in July there will be numerous awards given out -- Student of the Year, Organization of the Year, Community Improvement, Volunteer of the Year, Community Booster, Chamber Member of the Year, Citizen of the Year, and Prescott Valley Heritage Award. Nomination forms are available at the Chamber office.

Mayor Killingsworth stated Vice-Mayor Padgett will be turning 40 this Sunday.

Chief Ed Seder did an update on Community Policing in the community, as well as passed around before and after photographs taken within Unit 5. Two bicycle officers, Bandon Bonny and Scott Stebbins, spoke on their experience within the community.

Councilmember Conner received the "American History Month" proclamation.

Chuck Ables	Aye
Jay Fagelman	Aye
Bill Howeth	Aye
Eunice Conner	Aye
Vice-Mayor Padgett	Aye
Mayor Killingsworth	Aye

Convene into Executive Session

Re-Convene into Regular Session

Decision, if any, regarding legal advice or acquisition of interest in real property - No decision.

Adjournment

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Brenda Rosa  
Administrative Secretary

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Richard C. Killingsworth  
Mayor

I hereby certify that the foregoing Minutes are a true and correct copy of the Minutes of the Regular Meeting of the Prescott Valley Town Council, held on the 12<sup>th</sup> day of February, 1998. I further certify that the meeting was duly called and held and that a quorum was present.

DATED this 13<sup>th</sup> day of February, 1998

  
Brenda Rosa  
Administrative Secretary

APPROVAL OF THE PRESCOTT VALLEY TOWN ATTORNEY

I have reviewed the above referenced proposed intergovernmental agreement, between the DEPARTMENT OF TRANSPORTATION, HIGHWAYS DIVISION and the TOWN OF PRESCOTT VALLEY and declare this agreement to be in proper form and within the powers and authority granted to the Town under the laws of the State of Arizona.

DATED this 10th day of February, 1998.

Eric Legler  
Town Attorney

ECONOMIC STRENGTH PROJECTS  
REQUEST FOR PROPOSAL  
FY 1998 - ROUND 1  
August 1, 1997

**APPLICATION FORM**

**NOTE: Additional information may be provided in attachments. Be sure to clearly reference and mark such additions and attachments.**

1. NAME, ADDRESS, AND COUNTY OF APPLICANT(S):

Prescott Valley Economic Development Foundation  
PO Box 26445  
Prescott Valley, AZ 86312  
and  
Town Of Prescott Valley  
PO Box 25456  
Prescott Valley, AZ 86312  
Yavapai County

2. TYPE OF ORGANIZATION OF APPLICANT: (Check one)

- a) ☐ Local Government only
- b) ☒ Private Non Profit / Local Government Joint Application:  
Name of Non Profit Agency Involved  
Prescott Valley Economic Development Foundation, Inc.(PVEDF)  
Name of Local Government Involved  
Town of Prescott Valley

3. Describe the function or purpose of applicant organization.

The Town of Prescott Valley is a local, incorporated governmental entity as outlined by the State of Arizona. PVEDF is a non profit corporation under contract to the Town of Prescott Valley.

4. Name, address, and phone number of contact person(s):

Joseph E. Brett, Executive Director  
Prescott Valley Economical Development Foundation, Inc.  
PO Box 26445, Prescott Valley, AZ 86312  
(520) 775-0032

5. Describe the private sector project or activity for which the related ESP funding is requested.

Expansion of Foxworth Galbraith – Roof truss manufacturing facility.( 10 jobs retained, 35 new jobs and \$1million investment, includes land, construction & equipment)

Expansion of Granite Mountain Design – A major supplier of aerospace parts for Allied Signal( 45 jobs retained – 50 new jobs and \$1.1 million investment for construction)

Attraction of Accuduct Corp. from the State of Washington – Manufactures ductwork for Bank One and Las Vegas Casinos.( 65 new jobs, approx. \$ 2 million investment for construction & land)

6. Describe the Economic Strength Project for which funding is requested. Describe how the ESP project supports/relates to the private sector project described in #5 above.

This project proposes to connect the newly emerging industrial area with the Town of Prescott Valley, "Valley Road", which will provide the Town mandated secondary access to satisfy health and safety issues. It will provide access when the existing County Road.(Fain Road) is impassable due to the inadequate low water crossing that exists at Lynx Creek.

In any storm event that exceeds the 10 year event, Fain Road is impassable, which creates an extreme hardship on any business which not only is employee intensive, but relies very heavily on motor carriers for delivery of raw materials and shipment of finished products. The proposed construction of 4200 LF of roadway will insure just such an access point. The Town is already improving the road from the new industrial site to State Highway 69.

7. Describe how the private sector project fits into the community's overall economic development efforts.

Manufacturing is a major component for Prescott Valley and the neighboring communities. This project would bring 185 new jobs into the area from all three companies, and a job retention of 55 jobs for Granite Mountain Design and Foxworth Galbraith. Also the new road will link the Town's existing industrial area with the "new " industrial site, thereby creating more area for future industrial expansion. Annexation has been approved by the Town Council and land owners.

8. Describe how the supporting ESP project fits into the Community's overall economic development efforts.

This project allows the Town to annex land for industrial use. The road improvements from State Highway 69 to the site and new road construction through the site to the Town's existing industrial area makes annexation practical. This road construction links the entire industrial area to State Road 69. In addition, secondary access is required by the Town; this area is especially vulnerable to traffic flow disruptions due to Lynx Creek flooding. Without this road, the project cannot meet public health & safety requirements for traffic flow. In addition, the road links the new site with the Town's waste water treatment plant located on Valley Road. This is especially advantageous for future infrastructure needs.

9. How will ongoing maintenance and repair be provided for the ESP project after construction/improvement?

Maintenance & repair will be provided by the Town of Prescott Valley Public Works Department, funded through their highway user funds.

10. Description of ESP project. (Check one)

- a) ☐ This is an existing roadway.
- b) ☒ This is a new roadway.
- c) ☐ This is a bridge.
- d) ☐ This is an underpass.
- e) ☐ Other \_\_\_\_\_

10. Where is the private sector project located that is supported by this ESP project?  
Sara Jane Lane in the industrial – zoned area near the A.T.S.F. railroad right-of-way

12. Where is the ESP project located? (Note: Attach site map(s) to the application.)

- a. In the community: South East corner of community
- b. In relation to the related private sector project: Adjacent

13. What is the length (in feet/miles) of the ESP project? 4200 LF

14. What is the width (in feet) of the ESP project? Row 100' – asphalt 24'

In the jobs section below (Q15 - Q17), applicants must provide employment- and wage-related information for the private sector employers (existing or new ) which the ESP fund is supporting. If these projects do not generate certain categories of jobs (job creation, job retention or seasonal jobs), those sections should be left blank.

#### 15. JOB CREATION

##### a. Construction Phase

Does your project create any public or private construction jobs?

- Yes Foxworth Galbraith- new construction beginning Jan, 1998
- Yes Granite Mountain Design- new construction underway
- Yes Accuduct – new construction beginning in Nov. 1997

If yes, complete the following; otherwise go to Q15.b.

- (1) Number of construction jobs directly created by private sector 5
  - Number of days or months the construction jobs would last 200 days
  - average hourly wages 200 work days: 8000 hours = 92,000 @ \$11.50 per hour
- (2) Number of construction jobs directly created by ESP project 15
  - Average number of days or months the construction jobs would last 45 days
  - Average hourly wages \$15

**Note:** List and provide the above information for each employer included in or supported by your ESP application.

##### b. Operation Phase

- (1) Number of full-time permanent direct jobs created (in 2 years) 145
  - Average hourly wages \$10
- (2) Number of part-time permanent direct jobs created (in 2 years) 20
  - Average number of hours per week 30
  - Average hourly wages \$8

**Note:** List and provide the above information for each employer included in or supported by your ESP application.

#### 16. JOB RETENTION

- a. Number of permanent full-time direct jobs retained 55
  - Average hourly wages \$10 (45 hrs wkly)
- b. Number of permanent part-time direct jobs retained None
  - Average number of hours per week \_\_\_\_\_
  - Average hourly wages \$\_\_\_\_\_

19. Cost/Benefit Calculation

What is the likelihood that benefit resulting from the project will exceed the costs of the project? Show detail of cost/benefit analysis used to determine the net benefits of this project. Note: Included in this analysis should be the projected annual taxes (real and property) to be generated by the planned retail stores and other businesses being assisted and the taxes (state and local) to be paid by the workers who will be employed by these businesses.

Projected Real & Personal Property tax generated annually:	\$ 31,258
Projected State Income Tax generated annually:	\$120,000
Projected State & Local Retail Sales Tax generated annually:	\$ 98,800
Totals	\$ 250,058

20. What community(ies) will benefit from this project? How will each listed community benefit?

The Town of Prescott Valley, Prescott, Chino Valley, Dewey, Mayer, and Humboldt will all benefit from this project. In addition to job creation, the workers will buy homes or rent in each of the communities mentioned. Workers will also have an impact on retail sales in each of the communities.

21. List the names of local economic development organizations, and a contact person for each, which are involved with this private sector project. **Attach documentation (letters of support, etc.) showing the involvement and level of support of each organization.**

Prescott Valley Economic Development Foundation, Inc., Joseph E. Brett, Executive Director, (520)775-0032

22. What is the total cost of the entire project? \$ 5,700,000

23. What is the total cost of the ESP portion of the project? \$ 350,199

24. Complete and attach the Budget Detail Schedule (Attachment A).

25. Complete and attach the Sources and Uses Schedule (Attachment B).

26. Of the total ESP project cost listed in #23 above, how much financial assistance are you requesting from the Economic Strength Projects Fund? \$ 179,000

27. List the sources and amounts of matching funds (both private and public) that will be a part of the total direct ESP project cost.

a) Public Funds:

(1) Name of public entity contributing the match. Amount

Town of Prescott Valley	\$ 171,199
	\$ _____
<b>Total</b>	<b>\$ 171,199</b>

(2) Cash match contributed to the project.

- Source (general fund, grants, HURF, etc.) Amount

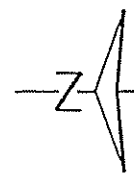
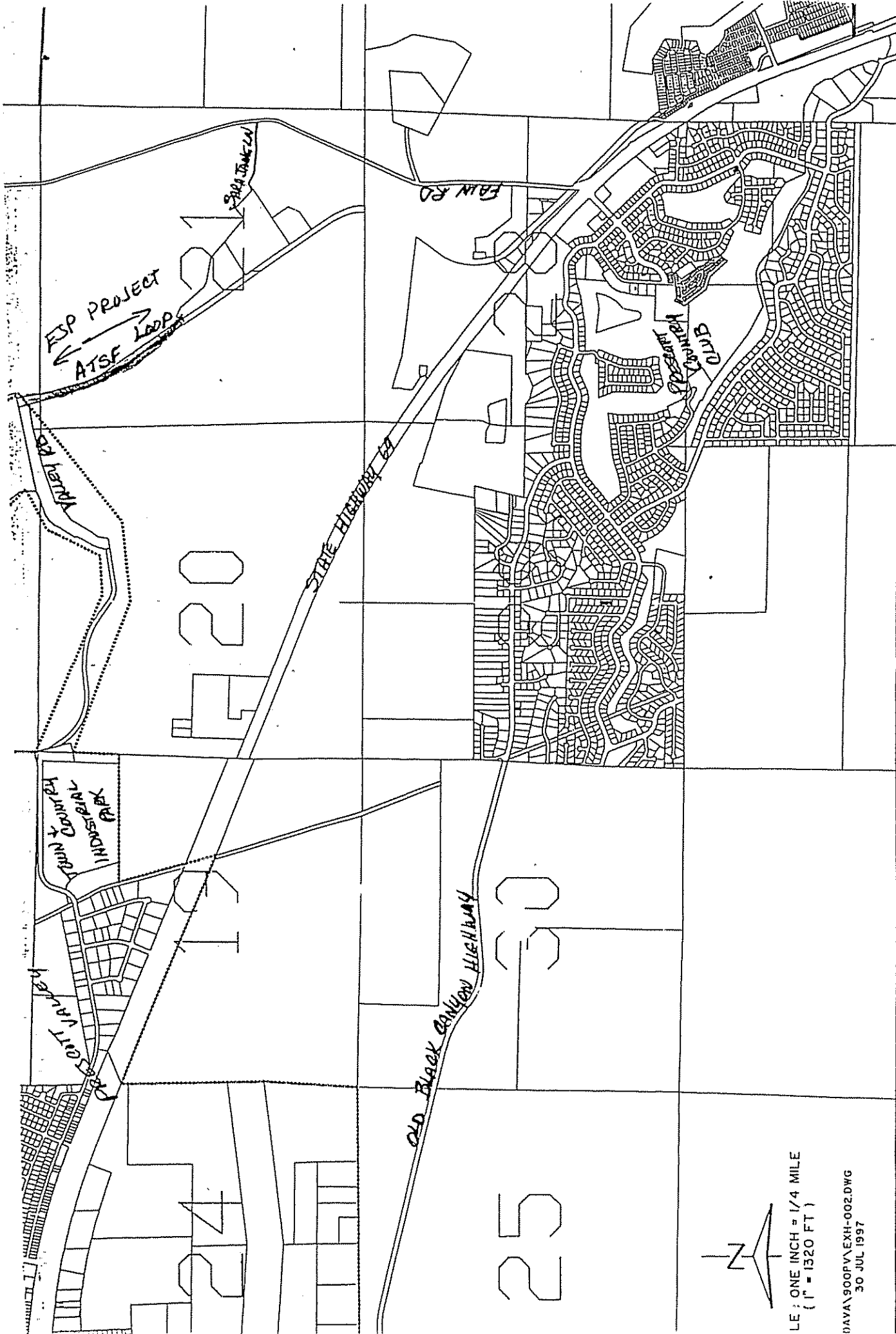
General Fund	\$ 137,199
	\$ _____
<b>Total</b>	<b>\$ 137,199</b>

## ECONOMIC STRENGTH PROJECTS - BUDGET DETAIL SCHEDULE

**Note: No contingency costs are to be included in the total project costs. ATSF Loop Connection**

[illegible]

Signature of Registered Professional



LE: ONE INCH = 1/4 MILE  
(1" = 1320 FT)

DATA\900FV\EXH-002.DWG  
30 JUL 1997



GRANT WOODS  
ATTORNEY GENERAL

STATE OF ARIZONA  
OFFICE OF THE ATTORNEY GENERAL  
1275 WEST WASHINGTON, PHOENIX 85007-2926

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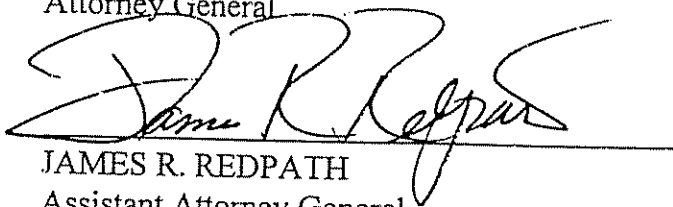
**INTERGOVERNMENTAL AGREEMENT**  
**DETERMINATION**

A.G. Contract No. KR98-0052TRN, an agreement between public agencies, has been reviewed pursuant to A.R.S. § 11-952, as amended, by the undersigned Assistant Attorney General who has determined that it is in the proper form and is within the powers and authority granted to the State of Arizona.

No opinion is expressed as to the authority of the remaining parties, other than the State or its agencies, to enter into said agreement.

DATE February 24, 1998.

GRANT WOODS  
Attorney General

  
JAMES R. REDPATH  
Assistant Attorney General  
Transportation Section

JRR:et/10693

Enc.